



# MARYLAND Department of Health

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Robert R. Neall, Secretary

## Office of Procurement and Support Services

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INVITATION FOR BIDS  
Behavioral Health Administration (BHA)  
Laboratory Services for Maryland Department of Health Facilities  
IDENTIFIER MDH/OPASS #19-17846  
eMM # MDM0031045336

**Addendum #3**  
**Issued: July 01, 2019**

All persons who are known by the Issuing Office to have received the above-referenced MS-IFB are hereby advised of the following revision:

**1. Section 1.2, Definitions.**

**1.2.31 Reimbursable Test**

**A laboratory test requested by a Facility that the Contractor is not able to perform in its own laboratory facilities. Because it does not perform the requested test, if reasonably possible, the Contractor must have another laboratory perform the test and must receive and pay for the resulting invoice from the laboratory that performed the test. The Contractor will be reimbursed the actual amount of the invoice it paid to the alternate testing laboratory. Reimbursable Test is a testing category in addition to the Tier One, Two and Three Tests described below.**

- ~~31~~ **32** **Routine Test** – A laboratory test done on a clinical specimen(s) in order to obtain information about the health of a patient as pertaining to the diagnosis, treatment, and prevention of a disease or disorder.
- ~~32~~ **33** **STAT Test** – A laboratory test conducted when a patient's condition is determined by a physician or approved medical personnel to warrant lab value results within a four-hour time period from time of notification of need for the test. See Sections 3.2.4 and 3.2.5.
- ~~33~~ **34** **State** – The State of Maryland.
- ~~34~~ **35** **Technical Offer** – A Bidder's response to the Scope of Work requirements of this MS-IFB. A Bidder's Technical Offer will be determined to be acceptable or not acceptable prior to any opening of a Bidder's Bid Price Form. See MS-IFB Sections 4.1 and 4.2 for more information.
- ~~35~~ **36** **Test Pricing Tiers** – Three tiers or categories of laboratory tests established on the basis of how test prices are determined. See Tier One, Two and Three Test definitions.

**37 Tier One Test** – All laboratory tests contained on the Attachment F Price Form for which individual firm fixed prices have been requested.

~~36~~ **38 Tier Two Test** – Any laboratory test that the Contractor can perform for which firm fixed prices have not been requested on the Attachment F Price Form and which are not designated as a Tier Three Test. As described in Section 3.2.18, Tier Two Tests will be paid at 65% of the Contractor's list price.

~~37~~ **39 Tier Three Test** – A maximum of ten rarely (not typically ordered in the course of standard clinical care) requested laboratory tests that would otherwise be a Tier Two Test except that due to the rareness of requests or other circumstances there is not a published price for the test or the volatility of such pricing practically precludes locking the price at the 65% of list price level mandated for a Tier Two Test.

~~38~~ **40 Total Bid Price** - The Bidder's total bid price or evaluated bid price for services in response to this solicitation, included Attachment F – Bid Form.

~~39~~ **41 Veteran-owned Small Business Enterprise (VSBE)** – a business that is verified by the Center for Verification and Evaluation (CVE) of the United States Department of Veterans Affairs as a veteran-owned small business. See Code of Maryland Regulations (COMAR) 21.11.13.

## 2. Section 1.3, Contract Type:

The Contract resulting from this solicitation shall be a combination Contract with the primary component being an Indefinite Quantity Contract with Firm Fixed Unit Prices in accordance with COMAR 21.06.03.02 & 21.06.03.06. A (2). However, these firm fixed prices are subject to adjustment as described in Sections 3.2.18 f and 3.2.22 if the first or both renewal options (see Section 1.4.4), are exercised by the Department. The secondary component of this Contract will be Cost Reimbursement. As described in Definition 1.2.31 and Section 3.2.23, whenever a laboratory test is performed under this Contract by other than the Contractor, the Contractor will be paid the actual cost that is charged by the laboratory that performed the test.

## 3. Section 3.2.2.1, Routine Requests for Specimen Pick-up and Testing

The Contractor shall provide regular pick-up for laboratory specimens for all Routine Tests at each MDH Facility's Specimen Collection Station. The scheduled pick-up shall be no earlier than Noon and no later than 2:30 p.m. on Business Days (Monday through Friday, 8:00 a.m. – 5:00 p.m. excluding State recognized holidays). However, the Facility Contract Administrator at each respective Facility can agree in writing to a different pick-up schedule for his/her Facility, wherein routine specimen pick-ups can be scheduled before noon, after 2:30 pm, or both. Any such schedule revision can be temporary or permanent, subject to any subsequent written change.

The specimens shall be transported to the Contractor's laboratory for testing after being picked up from an MDH Facility. Specimens shall be delivered to the testing laboratory site in such manner as to ensure the integrity of the specimen chain-of-custody, the viability of the specimen for the requested testing and compliance with the testing timeframes listed in Section 3.2.5. A list of State holidays can be found at [www.dbm.maryland.gov](http://www.dbm.maryland.gov) – keyword: State Holidays.

#### **4. Section 3.2.4, Laboratory Test Results**

3.2.4.1 The Contractor shall perform all tests and report all test results to MDH Facilities in accordance with the requirements of the Contract provided in Section 3.2. A chart indicating the required time frames for ROUTINE and STAT tests is provided in Section 3.2.5. ~~The results of all applicable STAT tests shall be reported to the Facility within~~ **Contractor shall make the utmost effort to report the results from all applicable STAT tests within the required time-frame of four (4) hours from the time a MDH Facility notifies the Contractor that a STAT test has been ordered. Under extenuating circumstances, however, the Contractor may take up to six (6) hours to provide a particular applicable STAT test result. Except under the most extenuating of circumstances, in no event shall the Contractor take more than six (6) hours from the time a MDH Facility notifies the Contractor that a STAT test has been ordered. to report the results of that test.**

**Any time the Contractor takes more than four (4) hours to report the results of a STAT test, it shall provide an explanation of why the results of the STAT test was not reported within four (4) hours from the time the applicable MDH Facility notified the Contractor that a STAT test has been ordered. If the Contract Monitor is not satisfied with the rationale for the Contractor taking more than four (4) hours to report a particular STAT test result:**

- 1. The applicable STAT test pick-up fee from the Price Form will not be paid.**
- 2. A Corrective Action Plan may be required whereby the Contractor must provide a detailed explanation of what actions the Contractor will implement to prevent a recurrence of an unjustified failure to meet the four (4) hours STAT results report timeframe.**
- 3. In egregious circumstances, as determined by the Contract Monitor, the applicable fee from the Price Form for the test itself will not be paid.**

#### **5. Section 3.2.18, Pricing**

- c. **1.** Within five (5) Business Days of being notified that it is being selected for Contract award, the selected Bidder must inform the Contract Monitor in writing of up to 10 non-Tier One Tests contained in its Laboratory Test Schedule that it wants categorized as Tier Three Tests, and its rationale for each requested categorization. The Contract Monitor will either approve the up to 10 requested Tier Three Tests, request more justification for one or more of the requested tests, or reject one or more of the

requested Tier Three Tests as not fitting the definition of being rare and volatile in price or some other factor(s). If a test is rejected by the Contract Monitor as not being appropriate to be categorized as a Tier Three Test, the Contractor may substitute another test for the Tier Three Test designation, until either the maximum of 10 tests is reached or it is agreed that fewer than 10 tests satisfy the Tier Three Test definition.

2. Over the course of the Contract, If the Contractor wishes to substitute one or more tests to be included in the Tier Three Test designation, it shall request the approval of the Contractor Monitor to do so and provide justification for the request. The Contract Monitor may approve or disapprove any request to substitute a different test for a previously approved Tier 3 test.

3. At any time during the Contract, including at Contract Start-up, the Contractor may also request the Contract Monitor to permit the designation of more than 10 tests as Tier Three Tests. Along with any request to have more than 10 tests designated as Tier Three Tests, the Contractor shall provide a justification both for why more than 10 tests should be designated as Tier Three Tests and why each specific test to be so designated should be included in the Tier Three Test designation.

The Contract Monitor has complete discretion as to the approval or disapproval of any particular test to be included as a Tier Three Test and whether more than 10 tests should receive this designation.

d. All tests contained on the Laboratory Test Schedule that are not on the Bid Form (not Tier One Tests) or identified by the Contractor and approved by the Contract Monitor as a Tier Three Test, will become Tier Two Tests.

1. When the Contractor submits its request for the designation of Tier Three Tests – within five (5) Business Days of being notified of recommendation for award - it should also provide the Contract Monitor with reasonable justification that the Tier Two Prices contained in its submitted Laboratory Test Schedule are its routine prices for these tests. Such justification might be in the form of a widely circulated official price list, a screen shot of pricing on a public web site of the Contractor, copies of invoices to customers showing these prices, etc. The Contract Monitor can request additional justification for the purported price of any test determined to be a Tier Two Test.

2. The prices paid by MDH Facilities for any Tier Two Test will be 65% of the Contractor's Laboratory Test Schedule routine price, as accepted by the Contract Monitor. This 65% of the Contract Monitor-accepted Laboratory Test Schedule price will then become a firm fixed price that shall apply for the 3-year duration of the Contract. However, as described in Section 3.2.18 f, if a renewal option is exercised by the Department, this fixed price can be adjusted for the option year(s).
3. **Except for Reimbursable Tests as described in the Section 1.2 Definitions and Section 3.2.23,** the prices contained in the documents referred to in this Section 3.2.18 and the Stat Test fee per pick up/call entered on the Bid Form are the only charges that may be billed to MDH Facilities. All other costs, such as those listed below, must be factored into the price of the individual test procedures. The listing below is not intended to be an all-inclusive listing of the items needed to perform the required services, but rather examples of the sorts of costs that are to be factored into the price of the individual test procedures and the total Bid:
  - a. The means to receive test requests and transmit test results, including interfacing with any Electronic Health Record System (See Section 3.2.4 and 3.2.12);
  - b. Performing retests (See Section 3.2.7);
  - c. All supplies such as urine bottles, serum vials, lead free vacutainer tubes, toxicology vacutainer tubes (See Section 3.2.8);
  - d. Specimen/Test Request forms; (See Section 3.2.9)
  - e. Specimen collection reference manuals (See Section 3.2.10);
  - f. Centrifuges (See Section 3.2.11);
  - g. An acceptable Continuous Quality Improvement Program (See Section 3.2.13);
  - h. Required training (See Section 3.2.14);
  - i. Technical assistance/support and attending inspections/surveys (See Section 3.2.15); and
  - j. Attendance at required meetings (See Section 3.2.16).
- e. Within ~~30~~ **15** days **after the end of each month of the Contract, except for the last month, the Contractor shall either provide its most recent Laboratory Test Schedule, showing** new tests available from the Contractor or tests that have been deleted or replaced **during the month being reported, or a statement that**

its previously provided Laboratory Test Schedule is still current ~~of a new test being available from the Contractor or if a test is deleted or replaced, a~~

Any revised Laboratory Test Schedule is to be submitted to the Contract Monitor and each Facility Contract Administrator. The update shall note any test deleted or replaced and include only the name and price of any new test. The Contractor shall not change prices for any test listed on the initial or previously updated version of the Laboratory Test Schedule. Upon submissions of a revised Laboratory Test Schedule with one or more new tests and associated routine price(s), the 65% price level will be calculated and will then become a firm fixed price for this/these new test(s) for the remainder of the initial three (3)-year Contract term. Upon the exercising of a renewal option, all base Contract term pricing is subject to adjustment as described in Sections 3.2.18 f and 3.2.22.

3. 3.2.23 Reimbursement for Tests Provided by Another Laboratory

- a. As described in Sections 1.3 and 3.2.18 a, the Contractor must provide firm fixed prices for all tests contained on the Price Form. As described in Section 3.2.18 d and e, the Contractor must also provide a copy of its Laboratory Test Schedule and must both update that Schedule monthly and agree to be paid 65% of its Schedule price when the test is first listed on the Schedule.
- b. However, it is possible over the course of the Contract that a laboratory test may be requested by a Facility that the Contractor does not perform. In any such situation the Contractor shall attempt to identify another testing laboratory to perform the test. Upon identification of a laboratory that can perform the required test, the Contractor shall provide the appropriate Facility Contract Administrator with the identity of the laboratory that can provide the test, any noteworthy circumstances concerning the test, such as the projected completion timeframe, and the price. If more than one alternative laboratory can perform the test, the Contractor shall inform the Facility Contract Monitor of all circumstances of the multiple testing locations, to include the price for each and the test completion timeframe. If the Facility Contract Administrator approves the completion of the test by other than the Contractor in this circumstance, the Contractor shall have the required test performed by the laboratory selected by the Facility Contract Monitor.
- c. In any instance when a required test is performed by other than the Contractor, the Contractor shall attempt to negotiate as low a price as possible for the performance of the test, using its best judgment as to the appropriateness of its final negotiated price.

- d. The Contractor shall receive and pay for the resulting invoice from the testing laboratory.
- e. The final price charged by the alternate laboratory shall be passed-through to the requesting Facility, without markup or additional charge or fee, and without the alternate laboratory performed test being designated as either a Tier 2 or a Tier 3 test. Instead, such a test will be designated as a Reimbursable Test, as described in Sections 1.2 and 1.3. The requesting Facility shall pay the Contractor the exact amount the Contractor paid to the laboratory that performed the test.

4. 3.2.24 Provision of Phlebotomy Services

While not required, the Contractor may determine that it is in its best interest to provide a phlebotomist at one or more Facilities on an occasional or recurring basis. Any Contractor provided phlebotomist would draw blood from residents or outpatients of the Facility at the direction of an authorized medical professional, with the blood so drawn to then be tested by the Contractor in accordance with all provisions of the Contract.

If the Contractor elects to provide one or more phlebotomists at one or more Facilities, it must first obtain the written permission of the Contract Monitor to do so. Along with requesting permission to provide a phlebotomist, the Contractor must provide the name and qualifications of any phlebotomist to be provided and must ensure any such person(s) is fully covered by any applicable insurance coverage required under Section 3.4, has passed a criminal background check or otherwise been approved by the Contract Monitor as described in Section 3.3.2 and will comply with the employee identification requirements of Section 3.3.1. Any time a new phlebotomist is to be provided at any facility the Contractor must follow these same procedures.

The provision of a phlebotomist at any Facility is entirely voluntary by the Contractor and doing so at any time does not obligate the Contractor to continue to provide such services at other facilities or for any additional period of time.

5. 3.3.2 Criminal Background Check

Although the Contractor as a Bidder provided a description of its prospective employee screening process as required by Section 4.2.1 f, it shall again submit a description of its prospective employee screening process and shall certify that the process is adequate to safeguard State facility staff or residents, their personal property and State facilities. The Contract Monitor may require the Contractor to revise the process.

**In addition,** ~~The Contractor shall obtain from each prospective employee a signed statement permitting a criminal background check. The Contractor shall secure at its own expense a Maryland State Police and/or FBI background check and shall provide the Contract Monitor with completed checks on all new employees~~ **who will either or both devote more than 25% of their work-time to the direct performance of Contract work or will provide more than occasional services in State Facilities** ~~prior to assignment.~~ The Contractor may not assign any employee **meeting either condition and that has** ~~with~~ a criminal record to work under this Contract unless prior written approval is obtained from the Contract Monitor.

**Finally, the State reserves the right to require the Contractor to remove any employee that the State has reasonable basis to believe poses a risk to the safety of Facility staff or residents; their personal property; or State facilities.**

6. **Section 3.6; Invoicing**

3.6.2 **Invoicing and payment for all tests other than third party insurers**

1. Invoices shall be submitted monthly to the MDH Facility's Business Office and shall be received no later than the 15<sup>th</sup> of the month following the month in which services were provided. Invoices shall include, at a minimum:
  - a. Contractor's name, address and federal ID #
  - b. Invoice Date
  - c. Total amount of the invoice
  - d. Detailed support of the total amount of the invoice. Specifically, and chronologically by date of service:
    - 1) Patient's full name;
    - 2) The CPT (Current Procedural Terminology) code for each test performed; and
    - 3) The price of each individual test or battery of tests, including STAT tests, shall be as listed on the Bid Form or, for tests not listed on the Bid Form, at 65% of the rate for the test as listed in the Laboratory Test Schedule that was submitted with this Bid or subsequently updated. (See Section 3.2.18.)
    - 4) **Invoices for Reimbursable Tests shall include a copy of the invoice from the laboratory that performed the test for which reimbursement is sought, along with all identifying information concerning the resident being tested and a statement that the Contractor attempted to negotiate what it considers a fair and reasonable price for the test.**



**5) Invoices for STAT test pick-up fees should include a statement whether the results of the STAT test were reported within four (4) hours of the request for a STAT test pick-up. If the four (4) hours results reporting time-frame was not met, a written statement from the Contract Monitor accepting the rationale for the delayed results reporting should be included, (See Section 3.2.4.1.)**

2. Upon receipt of the invoice, the MDH Facility's Contract Administrator will verify the accuracy of the amount billed to insure that:
  - a. The test procedure was actually ordered;
  - b. The test results were received;
  - c. The correct test was performed; and
  - d. The amount billed is correct.
  - e. Any charges related to a STAT test for which the results were not reported within the required time-frame is payable because the Contract Monitor accepted the Contractor's rationale for the delayed results reporting.**
3. No payment will be made until the invoice is fully reconciled and corrected. All payment adjustments resulting from incorrect invoices will be fully reconciled on current or subsequent invoices.

#### 7 4.2.1 Technical Offer Requirements

Each Bidder shall:

- e. **Provide** ~~A~~ **a** statement that it can and will provide all the tests contained on the Bid Form. If reasonably possible, state how many of each such test were performed by the Bidder within the past year.
- f. **Submit a description of its prospective employee screening process and certify that the process is adequate to safeguard State facility staff or residents, their personal property and State facilities.**

8 Attachment A, Clause 28, Subcontractor: Assignment.

#### **28. Subcontracting; Assignment**

**28.1** The Contractor may not subcontract any portion of the services provided under this Contract without obtaining the prior written approval of the Procurement Officer, nor may the Contractor assign

this Contract or any of its rights or obligations hereunder, without the prior written approval of the Procurement Officer provided, however, that a Contractor may assign monies receivable under a contract after due notice to the State. Any subcontracts shall include such language as may be required in various clauses contained within this Contract, exhibits, and attachments. The Contract shall not be assigned until all approvals, documents, and affidavits are completed and properly registered. The State shall not be responsible for fulfillment of the Contractor's obligations to its subcontractors.

**28.2 For the purposes of this Contract, the Contractor will be determined to be subcontracting when: 1. It reasonably anticipates paying 5% or more of the value of the Contract to a single legal entity other than itself to obtain any tests, equipment, goods or services to be used under the Contract. 2. Under its own policies, procedures, etc. the Contractor considered an entity to be used under the Contract to be a subcontractor, even if less than 5% of the value of the Contract is expected to be paid by the Contractor to this entity.**

**Each entity considered by the Contractor to be a subcontractor, or that receives, or is reasonably expected to receive, 5% or more of the value of the Contract, will be construed to be a subcontractor to the Contractor and thus subject to all requirements described in Section 28.1.**

**If an entity that provides tests, equipment, goods or services to be used under the Contract was not originally determined to be a subcontractor under the Contractor's policies and procedures and it was not expected to be paid 5% or more of the Contract value, but subsequently it is determined that this entity may or will be paid 5% or more of the Contract value, the Contractor shall seek the approval of the Procurement Officer for the continued use of this entity under the Contract.**

All other terms and conditions remain unchanged.

This Addendum is issued under the authority of State Procurement Regulations, COMAR 21.05.02.08 and with the approval of the Director, OPASS, MDH.

7/01/2019

Date

*Dana Dembrow*

Dana Dembrow, Director

Please include the addendum acknowledgement with your bid submission to:

Tearsa Buckner  
Contract Officer  
Office of Procurement and Support Services  
201 W. Preston Street, Room 416  
Baltimore, MD 21201  
E-mail: [tearsa.buckner@maryland.gov](mailto:tearsa.buckner@maryland.gov)

ADDENDUM ACKNOWLEDGEMENT

I acknowledge receipt of Addendum #3 to IFB 19-17846 title "Laboratory Services for Maryland Department of Health Facilities" OPASS/MDH #19-17846 dated July 01, 2019.

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Vendor's Name

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Authorized Signatory – (Print/Type)

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Signature

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Date